Diesel-run vehicles at IGI airport

*110. SHRIMATI HEMA MALINI: Will the Minister of CIVILAVIATION be pleased to state:

(a) whether commercial vehicles and passenger buses at Indira Gandhi International Airport still run on diesel violating Supreme Court orders; and

(b) if so, how, the Airports Authority of India (AAI) is still continuing to issues passes of such vehicles flouting Supreme Court orders?

THE MINISTER OF STATE OF THE MINISTRY OF CIVILAVIATION (SHRI PRAFUL PATEL): (a) No, Sir.

(b) Does not arise.

Detection of cases of tax-evasion by the Income Tax Department

*111. SHRI DARA SINGH:
SHRI RAMDAS AGARWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the Income Tax Department has detected thousands of cases of tax-evasion involving crore of rupees through booking of bogus long-term capital gain by large number of persons all over the country;

(b) if so, what are the details thereof for the last three years still date indicating the amount of tax-evasion, methods adopted by tax-evaders and the year in which maximum cases were reported;

(c) the number of brokers and stock exchanges involved in the scam indicating number of raids conducted by the Department and with what results, name-wise; and

(d) what safeguards Governments are considering to ensure that such scams are not repeated?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Search and survey operations and other enquiries undertaken by the Income Tax Department indicate that a large number of persons have made fictitious claim of long term capital gains on transations in shares.

(b) The enquiries carried indicate that such transactions valuing over Rs. 300 crores have taken place in the last 3-4 years. The amount of tax evasion involved in such transactions would be ascertainable only when the assessment proceedings are completed and the appellate proceedings are finalized, which may take considerable time.

Enquiries indicate that persons who had claimed such long term capital gains had purchased physical shares, mainly of penny stocks, along with back-dated bogus purchase bills reflecting purchase of shares at very low price. The prices of these shares were artificially raised through circular transactions of sale and purchase of these shares. The shares were subsequently de-matted and sold on the stock exchange platform. In the process, the beneficiaries booked fictitious long term capital gains.

Enquiries indicate that most of such transactions relate to financial years 2001-02 to 2005-06.

(c) The Department has carried out searches in several cases, some of which have fed to detection of fictitious claims of long term capital gains. The de-matted shares have been found to be traded in various stock exchanges, including those at Mumbai, Delhi and Kolkata. The extent of involvement of brokers and stock exchanges would be know only when the assessment proceedings in these cases are finalized.

(d) It has been the constant endeavour of the Government to strictly enforce the taxation laws to prevent such tax evasion techniques. The introduction of the Banking Cash Transaction Tax (BCTT) has enabled the Government to trail black money transacted through banking channels. The Department also undertakes compulsory scrutiny of returns in respect of certain categories of brokers/sub-brokers.

Survey by FICCI on requirement of hospitality sector

*112. SHRI MANOHAR JOSHI: Will the Minister of TOURISM be pleased to state:

(a) whether Government are aware that FICCI conducted a survey about India's requirement of hospitality sector in the next five years;

(b) if so, the details thereof;